

Message Text

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PAGE 01 STATE 144565
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DRAFTED BY XMB: D W SHEPARD/KAK

APPROVED BY ARA/ECA:STMYLES

XMB: R D CRAFTON

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XMB: W W GLICK

EB/IFO/ODF: AWATSON

ARA/ECA: JBUMPUS

-----104080 080000Z /14

P 072207Z JUN 78

FM SECSTATE WASHDC

TO AMEMBASSY BUENOS AIRES PRIORITY

UNCLAS STATE 144565

ATTENTION: PETER JONES COMMERCIAL ATTACHE

E.O. 11652: N/A

TAGS: EFIN, AR

SUBJECT: 1. ARGENTINA: AEROLINEAS ARGENTINAS, PURCHASE OF
727 AND 747 AIRCRAFT

2. OTHER PENDING APPLICATIONS

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SUBJECT : - ARGENTINA: AEROLINEAS ARGENTINAS, PURCHASE
OF 727 AND 747 AIRCRAFT

1. AS EMBASSY AWARE, OFFICIALS OF AEROLINEAS ARGENTINAS
VISITED EXIMBANK IN APRIL TO PRESENT A DIRECT CREDIT
APPLICATION FOR ASSISTANCE IN FINANCING THREE 727-200
AND THREE 747-200 AIRCRAFT, SPARES, MAINTENANCE EQUIPMENT
AND SIMULATORS AT A TOTAL NET U.S. CONTRACT PRICE OF
196.3 MILLION DOLS. NET CONTRACT PRICE REFLECTS INCLU-

SION OF A REPLACEMENT AIRCRAFT WITH MORE ADVANCED ENGINES
FOR AEROLINEAS' 747 NOW IN SERVICE.

2. EXIMBANK'S LEGISLATION REQUIRES IT TO TAKE INTO
ACCOUNT IN CONSULTATION WITH THE DEPARTMENT OF STATE,
THE HUMAN RIGHTS SITUATION WITHIN THE COUNTRY FOR WHICH
THE BANK'S ASSISTANCE IS INTENDED. EXIMBANK IS HOLDING

DISCUSSIONS WITH THE DEPT. OF STATE ON THIS QUESTION
AND CANNOT DETERMINE AT THIS TIME WHEN IT WILL BE RE-
SOLVED.

3. EXIMBANK UNDERSTANDS AIRCRAFT ARE UNDER CONSTRUCTION
AND U.S. COMMERCIAL BANK CONSORCIA HAVE BEEN ASKED BY
AEROLINEAS TO PREPARE FINANCING PROPOSALS BOTH WITH AND
WITHOUT AN EXIMBANK PARTICIPATION.

SUBJECT 2 - OTHER PENDING APPLICATIONS:

4. WHILE THE AEROLINEAS REQUEST IS THE ONLY LARGE ARGENTINE
DIRECT CREDIT APPLICATION ON HAND, EXIMBANK ALSO
HAS THE FOLLOWING PENDING APPLICATIONS:

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A) BRIDAS - A DIRECT REQUEST FOR 4-5 MILLION DOLS.
IN DRILLING EQUIPMENT TO BE USED IN PERU:

B) PRELIMINARY COMMITMENT REQUESTS BABCOCK &
WILCOX (9 MILLION DOLS. IN STEAM GENERATORS FOR
AYEE), WESTINGHOUSE AIR BRAKE (9 MILLION DOLS. IN
SIGNALLING EQUIPMENT FOR THE ARGENTINE RAILROADS),
DAVY POWERGAS (US) 15 MILLION DOLS. IN U.S. EQUIPMENT
FOR A MENTHANOL PLANT TO BE CONSTRUCTED BY ATANOR:
AND

C) LETTER OF INTEREST REQUESTS FROM ALLIS CHALMERS
FOR 270 MILLION DOLS. IN TURBINES AND GENERATORS
FOR YACYRETA, BELOIT FOR 25 MILLION DOL. PAPER
MACHINE AND OTHER EQUIPMENT TO BE USED IN CELULOSA
ARGENTINA'S PUERTO PIRAY PROJECT AND FROM THYSSEN
FOR 9 MILLION DOLS. IN OCEANOGRAPHY EQUIPMENT FOR
ASTARSA. VANCE

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Message Attributes

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Capture Date: 01 jan 1994
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